

CHAIRMAN KEVIN J. MARTIN STATEMENT

**Wilmington, North Carolina
Early Transition to Digital
Thalian Hall
310 Chestnut Street
Historic Downtown**

Monday, September 8, 2008

(As Prepared for Delivery)

Good morning everyone and thank you for being here on this historic day. At 12 noon today, Wilmington will lead the country in the transition from analog to digital television. This switch is the biggest change in television since it went from black-and-white to color in the 1950s.

And the switch to digital TV is going to be even more exciting. Viewers here in Wilmington are going to be the first ones in the country to take full advantage of the benefits of digital TV –

- Clearer richer pictures;
- High definition DVD-like quality
- Better sound
- And more free channels

The DTV transition for the rest of the country will not take place until February 17, 2009. That is when the rest of the television stations must turn off their analog signals and broadcast only in digital. But the first step towards that transition is going to be taken right here in Wilmington today.

It is an exciting day for Wilmington, but one that would not have been possible without the help of so many people that are here today.

First, let me start by thanking Commissioner Copps, for challenging me and the industry to find a community that would be willing to help the rest of the country lead this transition. Commissioner Copps deserves a lot of credit for today --- urging the Commission to engage in real-world experience that would help ready the broadcasters, viewers and us for the upcoming transition. While we do not always agree on every issue, Commissioner Copps' thoughtfulness and dedication serve the Commission very well.

Next, let me thank the community of Wilmington. You know Mayor Saffo, when I first raised this possibility with you and the broadcasters, many of you were hesitant and raised legitimate concerns:

How will we inform our viewers about a different date?

Won't our community be at a disadvantage since many of the education efforts will be taking place after the transition?

What if a hurricane hits?

Why do we have to do this at all?

You didn't have to do it. But once you all were in, you fully embraced the challenge. Your willingness to volunteer for the transition -- and ultimately your dedication to making it a success -- was astounding.

The Wilmington broadcasters, with Paul McTear, Dean Hinson and Jim Goodman's support from the very first announcement, have led the way.

Here on the ground, Andy Combs of WWAY (ABC), Tom Postema of WSFX-TV (FOX), Gary McNair of WECT (NBC), Connie Knox of WILM-LP (CBS) and W51CW (Trinity Broadcasting), all stepped up to the challenges of premiering the nation's DTV transition. I commend the Wilmington broadcasters for their pioneer spirit to go first to help the entire country prepare for the final transition to digital. This experience has and will continue to help us identify issues that we need to address elsewhere in the country before next February.

Mayor Saffo, let me thank you and the entire community that you represent. You have personally provided such great support and leadership in this effort. We would not be here today without your commitment and dedication to the Wilmington community.

One of the invaluable lessons that we have learned from here in Wilmington is that DTV outreach success depends on the commitment of local community. Including local industry, governmental and nongovernmental organizations. Community stakeholders must take a leadership role for such large-scale messaging to take effect, which is why I am so impressed with the Wilmington-area effort.

The Commission has tried to help. Since we made the announcement on May 8, that Wilmington, North Carolina would be the first market in the country to make the transition to digital television (DTV) we have tried to work closely with many of you here to help get the word out.

- We have had FCC staff here on the ground in every county to help educate consumers about this early transition.
- We have attended over 400 outreach events, including Town Hall meetings, presentations, exhibits at local events, ask the FCC Sessions, and train the trainer sessions.

- We have distributed over 85,000 publications.
- Partnerships have been formed with over 100 organizations.
- Four billboards were put up in high traffic areas throughout the town.
- The US Post Office displayed Wilmington specific DTV transition posters in all the post offices throughout the area and
- We provided the local radio and TV stations with PSAs.

And we all have made good progress. Notably, a recent survey conducted by NAB found that 97% of Wilmington residents were aware that broadcasters in Wilmington were transitioning to digital. And according to NTIA, today more than 36,000 Wilmington households have requested 67,000 coupons, and have redeemed 25,000 so far. And more than 17,000 of those homes rely on televisions with antennas.

Ultimately this test in Wilmington has been about gaining a better understanding about two things. (1) what the implications are from a technical perspective on the broadcasters in making this transition and (2) what consumer outreach efforts are the most effective in making sure consumers are taking the right steps to be prepared.

I have been asked by many how the FCC will measure the success of what happens here in Wilmington.

Now and next February, a successful digital transition depends upon minimizing the burdens placed on consumers and maximizing their ability to benefit from it.

While we are hopeful that the transition today is going to be as smooth as possible, the success of Wilmington is not what happens at 12 noon today when we flip the “switch.” The measure of success in Wilmington is what is going to happen next February, and what we are able to learn from what occurs in Wilmington so we can take those lessons and move this process through the entire country.

And I can already say we have been able to learn some important lessons that will affect how we proceed through the rest of the country.

First, the FCC learned how important it is to work with grassroots organizations, like local fire and police departments and churches to assist us in reaching hard to reach groups like seniors. To that end, in Wilmington the FCC has engaged one or two of these groups in each county to assist individuals through the installation and/or coupon application process. These are the community leaders that we will strive to cultivate in other areas throughout the country.

Second, the FCC learned the importance of emergency preparedness during hurricanes. At the time we began outreach in Wilmington four months ago there were no battery

operated converter boxes available. So the broadcasters and some folks down in Wilmington were able to work with one converter box manufacturer, Winegard, who recently introduced a DTV converter box battery pack specifically designed to allow its converter boxes to work in power outages.

Finally, we learned that the use of soft tests or temporary turnoffs of analog signals to determine whether consumers are ready for the transition can be useful if the test is for a longer period of time. In Wilmington, the broadcasters conducted a one minute and 5 minute test, and determined that the longer test was necessary for consumers to write down the phone number and information listed on the screen and (b) check all the televisions in their home to see if they are prepared.

Because we have been able to learn these lessons, regardless of what happens today, this test in Wilmington has been a success.

Finally, I would be remiss if I did not thank a few other folks that have been so instrumental.

We also appreciate the work of Consumer Electronics Association and CERC, as well as local retailers, Radio Shack, Circuit City, Best Buy, Sears, K-Mart, and Wal-Mart for making sure that their stores were stocked with converters boxes.

Meredith Baker, NTIA Acting Administrator, who expedited the processing of Wilmington coupon applications and gave us weekly updates on how the coupon converter box program was going here.

The pay TV operators including cable operators Time Warner, Atlantic Telephone, Falcon Cable, and Starvision and Dish Network and DIRECTV for their participation.

And last but not least, our FCC staff, led by Louis Sigalos, and including Maureen McCarthy, Jessica Przybyla, Jill Pender, Lauren Kravetz, Dan Rumelt, Yvette Barrett, and Beau Finley. The FCC team's constant presence in the five counties was invaluable in many ways. The FCC Wilmington team on-the-ground's presence at numerous events and awareness sessions, from coupon sign-ups at churches and libraries to booths at the local farmers markets was invaluable.

The FCC is committed to ensuring that no American in Wilmington, North Carolina is left in the dark. I trust that other parts of the nation will look to this market as an example. Each of us here today wants to be sure that the American public continues to receive programming today in Wilmington and for the rest of the country on February 17, 2009. The next 5 months will undoubtedly be challenging. Nevertheless, it is my hope that through the combined efforts of government, industry and grassroots organizations, American consumers will reap the rewards that the digital transition has to offer.